

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Township of Mancelona	County Antrim
Fiscal Year End 3-31-06	Opinion Date 5-9-06	Date Audit Report Submitted to State 7-13-06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

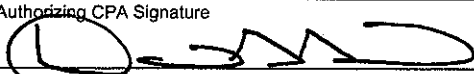
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	None	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Daniel S. Smith, CPA		Telephone Number 989-732-1441	
Street Address 114 S. Center Ave Suite 108		City Gaylord	State Zip MI 49735
Authorizing CPA Signature 		Printed Name Daniel S. Smith	License Number 1101020912

TOWNSHIP OF MANCELONA
ANTRIM COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2006

TOWNSHIP OFFICIALS

SUPERVISOR

GERALD PATRICK

CLERK

MAURICE McGLEISH

TREASURER

CATHY SUE ROBINSON

TRUSTEES

DAN BEAN

MARGARET CHAPMAN

TOWNSHIP OF MANCERLONA

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INDEPENDENT AUDITOR'S REPORT

May 9, 2006

To the Township Board
Township of Mancelona

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Mancelona, Antrim County, Michigan as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Township's managements. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Mancelona, Antrim County, Michigan as of March 31, 2006, and the respective changes in financial position, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages II – V and budgetary comparison information on pages 20 – 25, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.



Daniel S. Smith, CPA

TOWNSHIP OF MANCELONA

202 W. State Street
Mancelona, MI 49659

TOWNSHIP OF MANCELONA MANAGEMENT'S DISCUSSION & ANALYSIS YEAR ENDED MARCH 31, 2006

This section of the Township of Mancelona's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2006. Please read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Township assets at March 31, 2006, as reported in the Statement of Net Assets, totaled approximately \$2,270,000 for governmental activities. Of the total Township assets, approximately \$1,157,000 represents capital assets net of depreciation.

Overall revenues were approximately \$937,000 (\$195,000 from program revenues and \$742,000 from general revenues). Overall expenses approximated \$898,000.

The Township did not borrow any money during the year. Long-term debt and capital asset activity is addressed further in a subsequent section of this letter.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion & analysis, the basic financial statements, and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township.

The first two statements are government-wide financial statements and provide both long and short-term information about our overall financial status. These statements present the governmental activities of the Township. The Township does not engage in any business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the Township as a whole using accounting methods used by private companies. The Statement of Net Assets includes all of the entity's assets and liabilities. The Statement of Activities records all of the current year revenues and expenses regardless of when received or paid.

The two government-wide statements report net assets and how they have changed. Net assets are the difference between the Township's assets and liabilities; this is one method to measure the Township's financial health or position.

Over time, increases or decreases in an entity's net assets is an indicator of whether financial position is improving or deteriorating.

To assess overall health of an entity, you may also have to consider additional factors such as tax base changes, facility conditions, and personnel changes.

All of the activities of the Township are reported as governmental activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds, not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Township Board also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditure of those resources.

The Township has the following types of funds:

Governmental Funds: All of the Township's activities are included in the governmental fund category. These funds are presented on the modified

accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's government-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Assets: The Township's combined net assets increased approximately \$39,00 during the year ended March 31, 2006 totaling \$2,263,296. The increase is mainly due to conservative fiscal monitoring by the board over virtually all expenditures.

Government Funds: The fund balances for governmental funds decreased approximately \$9,400. The decrease is due primarily to a significant amount of road work (\$154,154) and the purchase of a new tractor (\$29,100) for the cemetery.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

General Fund: This fund is used to record all activities of the Township not required to be recorded in a separate fund. This would primarily include township administration, ambulance services, and the costs to operate the township hall. The major sources of revenue for the general fund are the Township tax base and the revenue sharing from the State of Michigan. The major expenses for this fiscal year include the general operating activities of the Township, and ambulance services.

Fire Fund: The Fire Fund is used to account for all activities related to fire protection services. Revenues are derived primarily from property taxes and contractual services to Custer Township, and totaled \$354,754. Fire expenditures totaled \$339,743, of which \$119,225 was spent on debt service. Other major expenditures include wages, repairs and maintenance and insurance.

Road Fund: The Road Fund is used to account for all activities related to road repair and construction. Revenues are derived primarily from property taxes and totaled \$95,767. Expenditures, totaling \$154,154, were paid to repair and pave several Township roads.

The Township has the following non-major funds:

Cemetery, Library, and Liquor Law Enforcement. These funds are primarily supported by program revenues, with some assistance from the general fund.

Revenues totaled \$62,112 and expenditures totaled \$122,994, with \$34,371 coming from the general fund.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets: Additions to the Township's capital assets include fire equipment in the amount of \$1,950, the new tractor for \$29,100, and \$4,075 for improvements to the library.

Long-Term Debt: The Township paid off its balance outstanding of \$114,727. At year end, the Township had no debt.

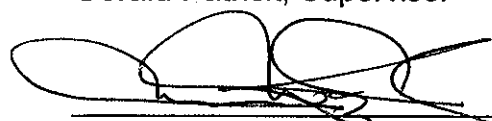
KNOWN FACTORS AFFECTING FUTURE OPERATIONS

The Township is strongly considering the purchase of a new township hall. The cost approximates \$250,000. The existing hall would be retained by the Township for expansion of library services.

CONTACTING TOWNSHIP MANAGEMENT

This financial report is designed to provide our taxpayers, creditors, investors and customers with a general overview of the Township's finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report please contact Maurice McGleish, Township Clerk or Sue Robinson, Township Treasurer at 202 W. State Street, Mancelona, MI 49659.


Gerald Patrick, Supervisor


Maurice McGleish, Township Clerk


Sue Robinson, Township Treasurer

**TOWNSHIP OF MANCERONA
STATEMENTS OF NET ASSETS
MARCH 31, 2006**

ASSETS

Current Assets:

Cash	\$ 697,766
Investments	228,689
Due from Fiduciary Fund	6,110
Due From Custer Twp	110,187
Due from County	70,179
	<hr/>
Total Current Assets	1,112,931

Capital Assets:

Capital Assets	2,013,780
Less, Accumulated Depreciation	(856,879)
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Total Capital Assets	1,156,901

Total Assets	<hr/> 2,269,832 <hr/>
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LIABILITIES

Current Liabilities:

Accounts Payable	\$ 80
Due to Ambulance Authority	6,456
	<hr/>

Total Current Liabilities	<hr/> 6,536 <hr/>
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NET ASSETS

Investment in Capital Assets	1,156,901
Net Assets, Unrestricted	651,053
Net Assets, Restricted	455,342
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Total Net Assets	<hr/> \$ 2,263,296 <hr/>
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See accompanying notes to the financial statements

**TOWNSHIP OF MANCERONA
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2006**

	<u>P R O G R A M R E V E N U E S</u>				<u>NET (EXPENSE) REVENUE AND CHANGE IN NET ASSETS</u>
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRI- BUTIONS</u>	<u>CAPITAL GRANTS AND CONTRI- BUTIONS</u>	
GOVERNMENTAL ACTIVITIES:					
Township Administration	\$ (208,141)	\$ -	\$ 20,435	\$ -	\$ (187,706)
Assessing	(36,411)				(36,411)
Buildings and Grounds	(62,100)				(62,100)
Ambulance Services	(43,174)				(43,174)
Fire Protection	(303,898)	110,187			(193,711)
Road Construction	(154,154)		7,330		(146,824)
Library	(51,675)	1,314	33,130		(17,231)
Cemetery	(34,816)	20,980			(13,836)
Liquor Law	(3,328)		1,674		(1,654)
	(897,697)	132,481	62,569	-	702,647
GENERAL REVENUES					
Property Taxes					424,942
State Shared Revenue					209,048
Property Tax Administration Fee					31,522
Swamp Tax					11,820
Interest on Investments					29,409
Royalties					24,702
Other					10,153
Total General Revenues					741,596
Change in Net Assets					38,949
Net Assets - Beginning of Year					2,224,347
Net Assets - End of Year					\$ 2,263,296

See accompanying notes to the financial statements

TOWNSHIP OF MANCERONA
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2006

	<u>MAJOR GOVERNMENTAL FUNDS</u>			<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	
	<u>GENERAL</u>	<u>FIRE</u>	<u>ROADS</u>		<u>TOTAL</u>
ASSETS					
Cash	\$ 432,346	\$ 127,697	\$ 77,777	\$ 59,946	\$ 697,766
Certificates of Deposit	156,781	51,028	-	20,880	228,689
Receivables:					
Delinquent Taxes and Fees	23,698	143,450	13,218	-	180,366
Due From Other Funds	6,110	-	-	-	6,110
Total Assets	618,935	322,175	90,995	80,826	1,112,931
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	80	-	-	-	80
Due to the Ambulance Authority	6,456	-	-	-	6,456
Total Liabilities	6,536	-	-	-	6,536
Fund Equity:					
Fund Balance:					
Reserved	-	322,175	90,995	42,172	455,342
Undesignated, Unreserved	612,399	-	-	38,654	651,053
Total Fund Equity	612,399	322,175	90,995	80,826	1,106,395
Total Liabilities and Fund Equity	\$ 618,935	\$ 322,175	\$ 90,995	\$ 80,826	\$ 1,112,931

See accompanying notes to the financial statements.

**TOWNSHIP OF MANCERONA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2006**

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES PER BALANCE SHEET - PAGE 3	\$ 1,106,395
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**Amounts reported for governmental activities in the Statement
of Net Assets (Page 1) are different because:**

Capital assets used in governmental activities are not financial resources and therefore not used in the funds.	<u>1,156,901</u>
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TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES PER STATEMENT OF NET ASSETS - PAGE 1	\$ <u>2,263,296</u>
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See accompanying notes to the financial statements

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2006

	<u>M A J O R F U N D S</u>			<u>NON MAJOR FUNDS</u>	<u>TOTAL</u>
	<u>GENERAL</u>	<u>FIRE</u>	<u>ROADS</u>		
REVENUES					
Local Sources:					
Current Property Taxes	\$ 133,239	\$ 203,266	\$ 88,437	\$ -	\$ 424,942
Charges for Services:					
Custer Township	-	110,187	-	-	110,187
Property Tax Administration	31,522	-	-	-	31,522
Summer Tax Reimbursement	20,435	-	-	-	20,435
Other:					
Royalties	20,518	-	-	4,184	24,702
Interest	24,586	3,993	-	830	29,409
Cemetery Fees	-	-	-	20,980	20,980
Library Sources	-	-	-	34,444	34,444
Miscellaneous	8,584	1,569	-	-	10,153
State Sources:					
State Shared/Grant	182,309	26,739	-	1,674	210,722
Swamp Tax	11,820	-	-	-	11,820
METRO Funds	-	-	7,330	-	7,330
Total Revenues	<u>433,013</u>	<u>345,754</u>	<u>95,767</u>	<u>62,112</u>	<u>936,646</u>
EXPENDITURES					
General Government	285,953	-	-	-	285,953
Public Safety:					
Ambulance Services	43,174	-	-	-	43,174
Fire Protection	-	339,743	-	-	339,743
Liquor Law Enforcement	-	-	-	3,328	3,328
Road Construction	-	-	154,154	-	154,154
Cemetery	-	-	-	63,916	63,916
Library	-	-	-	55,750	55,750
Total Expenditures	<u>329,127</u>	<u>339,743</u>	<u>154,154</u>	<u>122,994</u>	<u>946,018</u>
Excess (Deficiency) of Revenues over Expenditures	103,886	6,011	(58,387)	(60,882)	(9,372)
OTHER SOURCES (USES)					
Transfers In (Out)	(40,821)	-	6,450	34,371	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	63,065	6,011	(51,937)	(26,511)	(9,372)
Fund Balance - Beginning of Year	<u>549,334</u>	<u>316,164</u>	<u>142,932</u>	<u>107,337</u>	<u>1,115,767</u>
Fund Balance - End of Year	<u>\$ 612,399</u>	<u>\$ 322,175</u>	<u>\$ 90,995</u>	<u>\$ 80,826</u>	<u>\$ 1,106,395</u>

See accompanying notes to the financial statements

**TOWNSHIP OF MANCELONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2006**

NET CHANGE IN FUND BALANCES- TOTAL GOVERNMENTAL FUNDS - PAGE 5	\$ (9,372)
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Amounts reported for governmental activities in the statement of activities (page 3) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives.	35,125
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Depreciation expense, recorded in the statement of activities but not in the governmental fund financial statements.	(101,531)
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Governmental funds do not report long-term debt; therefore, debt service payments are recorded as an expenditure. However, in the government-wide financial statements, long-term debt is recorded and debt service payments are applied against the outstanding balance.	114,727
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CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES PER THE STATEMENT OF ACTIVITIES - PAGE 2	\$ 38,949
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See accompanying notes to the financial statements

**TOWNSHIP OF MANCELONA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
MARCH 31, 2006**

ASSETS

Cash	\$ 6,110
	<u> </u>

LIABILITIES

Due to Other Funds	6,110
Due to Other Governments	-
	<u> </u>
Total Liabilities	6,110
	<u> </u>

NET ASSETS

Net Assets	\$ -
	<u> </u>

See accompanying notes to the financial statements

**TOWNSHIP OF MANCELONA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED MARCH 31, 2006**

RECEIPTS:

Property Taxes and Interest	\$ 2,980,234
	<hr/>

DISBURSEMENTS:

Property Tax and Interest Disbursements	2,980,234
	<hr/>

Changes in Fiduciary Net Assets	-
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Fiduciary Net Assets - Beginning of Year	-
	<hr/>

Fiduciary Net Assets - End of Year	\$ -
	<hr/> <hr/>

See accompanying notes to the financial statements

**TOWNSHIP OF MANCELONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006**

NOTE A: ENTITY

The Township of Mancelona is a General Law Township of the State of Michigan located in Antrim County, Michigan. It operates under an elected board and provides service to its residents in many areas including law enforcement, community enrichment, and human services. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included. Based on these guidelines, there are no other entities which should be considered for inclusion in this report.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of the Township of Mancelona are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide explanations including required disclosures of the Township's financial activities.

The accounting policies of the Township of Mancelona conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2003, the Township of Mancelona adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Township's financial statements has shifted from a fund focus to a government-wide focus.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These statements report financial information for

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION
(CONTINUED)**

the Township as a whole, excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Township general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. At this time, the Township has no business-type activities.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with functional programs. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Township's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not included as program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds. The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The Township reports the following major governmental funds:

General Fund - This fund is used to account for all financial transaction except those required to be accounted for in another fund. The fund includes the

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND TYPES AND MAJOR FUNDS (CONTINUED)

general operating expenditures of the local unit. Revenues are derived primarily from property taxes, State revenue sharing, and other inter-governmental revenues.

Fire Fund – This fund is used to account for all financial transactions related to the Township's fire protection services. Revenues are derived primarily from property taxes and services to Custer Township.

Road Fund – This fund is used to account for all financial transactions related to the Township's road repair/construction. Revenues are derived primarily from property taxes.

The Township reports, in total, the following non-major funds: Cemetery, Library, and Liquor Law Enforcement.

Other Funds

Fiduciary Funds – These funds are used to account for assets held in trust or as an agent for others. Tax collection activities are recorded in this category. Fiduciary activities are not reported in the governmental-wide financial statements, in accordance with GASB Statement No. 34.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Township does not apply FASB pronouncements or APB opinions issued after November 31, 1989.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Township departments. Fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available.

Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Township considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Property tax revenues are recognized as follows:

Properties are assessed as of December 31 and the related property taxes are levied on December 1 of the following year. These taxes are due on February 15; uncollected amounts are subsequently added to the county delinquent tax

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (CONTINUED) .

rolls. A county revolving fund normally pays the balance of the Township's tax levy by May 31 of each year. In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records the property tax revenue when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 31, 2005, are recorded as revenue in the current year. The Township's taxable value for the 2005 tax year totaled \$94,106,417.

The tax rates for the year ended March 31, 2006, were as follows:

PURPOSE	RATE/ASSESSED VALUATION
General	0.9923 mills per \$1000
Fire	2.0000 mills special assessment
	0.4961 mills per \$1000 (voted)
Roads	0.9923 mills per \$1000 (voted)
Ambulance	0.4849 mills per \$1000 (voted)

BUDGET

Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional and activity basis. The approved budgets of the Township for these budgetary funds were adopted on an activity level. Budgets as adopted end on March 31, of each year. There are no carryover budget items. During the year ended March 31, 2006, no over-expenditures were noted.

CAPITAL ASSETS AND DEPRECIATION

The Township's property, plant, and equipment, with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The Township generally capitalized assets with historical cost of \$1,000 or more as purchase and construction outlays occur.

**TOWNSHIP OF MANCERONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPTIAL ASSETS (CONTINUED)

The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	25-50
Improvements, other than buildings	10-20
Machinery and equipment	5-10
Vehicles	5-10
Infrastructure	20-40

Land, construction in progress, and library books and periodicals are not depreciated.

With respect to asset improvements, costs over \$1000 should be capitalized if:

1. The estimated life of an asset is extended by more than 25%, or
2. The cost results in an increase in the capacity of the asset, or
3. The efficiency of the asset is increased y more than 10%, or
4. Significantly changes the character of the asset, or
5. In the case of streets and roads, if the work done impacts the "base" structure.
6. Other wise, the cost should be expensed as repair and maintenance.

For information describing capital assets, see Note E.

**LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND
DISCOUNTS/PREMIUMS**

In government-wide financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bonds discount or premiums, and the difference

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effect of interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles as applicable to governments and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

NOTE C: CASH AND INVESTMENTS

Cash consists of bank accounts or securities with original maturities of 90 days or less.

All **cash deposits** are maintained in financial institutions in Northern Michigan. The Township's deposits are categorized to give the indication of the level of risk assumed by the Township at fiscal year-end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the Township or by its agent in the Township's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.

Category 3 – Uninsured and Uncollateralized.

	<u>BANK BALANCE</u>	<u>1</u>	<u>CATEGORY 2</u>	<u>3</u>	<u>CARRYING AMOUNT</u>
Major Funds	\$ 658,427	\$ 1,350	\$ 657,077	\$ -	\$ 637,820
Non-Major Funds	59,946	-	59,946	-	59,946
Total	<u>\$ 718,373</u>	<u>\$ 1,350</u>	<u>\$ 717,023</u>	<u>\$ -</u>	<u>\$ 697,766</u>
Trust & Agency	<u>\$ 55,891</u>	<u>\$ -</u>	<u>\$ 55,891</u>	<u>\$ -</u>	<u>\$ 6,110</u>

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006**

NOTE C: CASH AND INVESTMENTS (CONTINUED)

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's **investments** are as follows:

- (1) Insured or securities held by the Township or the Township's agent in the Township's name.
- (2) Uninsured with securities held by the counter party's trust department or its agent in the Township's name.
- (3) Uninsured with securities held by the counter party's trust department or agent but not in the Township's name.

	1	CATEGORY 2	3	CARRYING AMOUNT
Major Funds	\$ 193,765	\$ 14,044	\$ -	\$ 207,809
Non Major Funds	-	20,880	-	20,880
	<u>\$ 193,765</u>	<u>\$ 34,924</u>	<u>-</u>	<u>\$ 228,689</u>

NOTE D: DUE FROM/TO OTHER FUNDS

Due From/To Other Funds represents \$6,110 collected in the current tax collection fund that had not been distributed at March 31, 2006, to various funds as follows:

General Fund	<u>\$ 6,110</u>
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**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006**

NOTE E: CAPITAL ASSETS

	<u>CAPITAL ASSETS NOT DEPRECIATED</u>		<u>CAPITAL ASSETS DEPRECIATED</u>			
	<u>Land & Improv.</u>	<u>Library Books & Periodicals</u>	<u>Buildings</u>	<u>Data Handling Equipment</u>	<u>Vehicles and Equipment</u>	<u>Totals</u>
<i>Governmental Activities</i>						
<i>Capital Assets</i>						
Balance, April 1, 2004	\$ 38,004	\$ 50,000	\$ 633,410	\$ 20,000	\$1,237,241	\$1,978,655
Increases	-	-	4,075	-	31,050	35,125
Decreases	-	-	-	-	-	-
Balance, March 31, 2006	<u>38,004</u>	<u>50,000</u>	<u>637,485</u>	<u>20,000</u>	<u>1,268,291</u>	<u>2,013,780</u>
<i>Accumulated Depreciation</i>						
Balance, April 1, 2004	-	-	240,483	11,428	503,437	755,348
Increases	-	-	13,993	2,857	84,681	101,531
Decreases	-	-	-	-	-	-
Balance, March 31, 2006	<u>-</u>	<u>-</u>	<u>254,476</u>	<u>14,285</u>	<u>588,118</u>	<u>856,879</u>
<i>Capital Assets, Net</i>	<u>\$ 38,004</u>	<u>\$ 50,000</u>	<u>\$ 383,009</u>	<u>\$ 5,715</u>	<u>\$ 680,173</u>	<u>\$1,156,901</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental Activities

Township Administration	\$ 2,857
Buildings and Grounds	17,842
Fire	<u>80,832</u>
Total	<u>\$ 101,531</u>

NOTE F: LONG-TERM DEBT

As of March 31, 2006, the Township had no outstanding debt. The amount outstanding at April 1, 2005 (\$114,727) was paid off in full over the past year.

NOTE G: RESERVED FUND BALANCE

The Township has reserved fund balance in the amount of \$455,342 related to perpetual care in the Cemetery Fund (\$42,172), the Fire Fund (\$322,175), and the Road Fund (\$90,995).

**TOWNSHIP OF MANCELONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006**

NOTE H: RETIREMENT PLAN

The Township has a defined contribution pension plan for its employees. Listed below is a summary of the significant plan provisions adopted by Board resolution in February 1969, and as amended in April, 1996.

A. Eligibility Requirements

1. Attained age of 18 and not more than 75.
2. No minimum, service requirement.
3. All employees except volunteer fire fighters and seasonal employees.

B. Contributions

Schedule contributions are based on participant's compensation: 75% funded by the Township, 25% by the employee. A total of seven percent (7%) of employee compensation is contributed.

C. Vesting

1. Contributions are vested to the employee immediately upon entering the plan.

D. Plan Administration

1. The plan is administered by the Township Clerk.

During the year of audit, the total employer contributions for the year, was \$7,324. Covered payroll for the year was \$135,494. The plan was funded at the required contribution amount. No pension provision changes occurred during the year that affected the required contributions to be made by the Township or its employees.

NOTE I: CONTINGENCIES

INSURANCE

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omission; injuries to employees; and natural disasters.

**TOWNSHIP OF MANCELONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006**

NOTE I: CONTINGENCIES (CONTINUED)

The Township participates in the Michigan Township Participating plan, a self insured group. The pool is considered a public entity risk pool. The Township pay annual premiums to the pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims for each occurrence with the overall maximum coverage varying depending on the specific type of coverage of insurance. The Township has not been informed of any special assessment being required. There were no significant changes in coverage.

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2006

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	\$ 128,000	\$ 128,354	\$ 133,239	\$ 4,885
State Grants:				
State Shared Sales Tax	185,080	185,080	182,309	(2,771)
Swamp Tax	11,800	11,800	11,820	20
Charges for Services:				
Property Tax Administration	28,000	33,000	31,522	(1,478)
Summer Tax Reimbursement	20,435	20,400	20,435	35
Oil/Gas Lease - Airport	11,000	11,000	20,518	9,518
Interest	6,000	6,000	24,586	18,586
Miscellaneous	6,600	7,700	8,584	884
Total Revenues	396,915	403,334	433,013	29,679
EXPENDITURES				
GENERAL GOVERNMENT				
Township Board:				
Salaries - Trustees	3,183	3,183	3,184	(1)
FICA	245	245	244	1
Insurance	15,864	15,000	14,768	232
Spring Clean Up	10,000	6,500	6,415	85
Legal	7,000	14,000	13,552	448
Audit	7,000	4,900	4,825	75
Dues and Subscriptions	2,000	2,000	1,744	256
Printing	1,800	2,855	2,852	3
Street Lights	6,000	6,000	5,249	751
Copier Lease	2,175	2,175	1,913	262
Travel/Meals	2,000	500	355	145
Contingency Fund	16,000	13,975	12,179	1,796
Capital Outlay	4,000	4,000	2,612	1,388
Miscellaneous	5,804	12,684	6,128	6,556
Total Township Board	83,071	88,017	76,020	11,997
Supervisor:				
Salary	5,848	5,848	5,848	-
Fringes	448	448	447	1
Education	500	500	-	500
Mileage	150	150	42	108
Total Supervisor	6,946	6,946	6,337	609

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2006

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
Election:				
Salaries	2,600	2,600	1,492	1,108
Supplies	700	100	171	(71)
Travel	200	300	121	179
Miscellaneous	600	1,600	648	952
Total Election	4,100	4,600	2,432	2,168
Treasurer:				
Salary	23,567	23,567	23,567	-
Salaries - Deputy and Clerical	12,305	12,305	11,342	963
Fringes	2,475	2,745	2,678	67
Capital Outlay	1,000	1,000	-	1,000
Miscellaneous	500	500	198	302
Total Treasurer	39,847	40,117	37,785	2,332
Assessor:				
Contractual	36,400	36,400	36,400	-
Misc	200	200	11	189
Total Assessor	36,600	36,600	36,411	189
Board of Review:				
Salaries	900	900	510	390
FICA	70	70	39	31
Education	200	240	240	-
Travel	250	250	-	250
Miscellaneous	200	160	64	96
Total Board of Review	1,620	1,620	853	767
Clerk:				
Salary	16,480	16,480	16,480	-
Clerical Wages	1,093	1,093	1,093	-
Fringes	1,345	1,345	1,291	54
Education	500	500	-	500
Travel	1,000	1,000	575	425
Miscellaneous	300	300	-	300
Total Clerk	20,718	20,718	19,439	1,279

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2006

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
Township Hall:				
Wages	27,466	27,466	27,042	424
FICA	2,105	2,130	2,130	-
Building Maintenance/Supplies	11,000	10,990	7,184	3,806
Utilities	8,100	8,410	5,918	2,492
Capital Outlay	2,000	2,000	843	1,157
Miscellaneous	300	300	141	159
New Building Fund	10,000	1,000	1,000	-
Total Township Hall	60,971	52,296	44,258	8,038
General Administration Costs:				
Computer Services	20,000	20,000	14,758	5,242
Postage	10,000	10,000	7,591	2,409
Health Insurance	32,500	32,500	30,827	1,673
Pension	8,783	9,670	7,324	2,346
Life, Dental, Optical Insurance	3,070	3,090	1,839	1,251
Total Gen. Administration Costs	74,353	75,260	62,339	12,921
Airport:				
Insurance	1,700	1,700	-	1,700
Repairs/Utilities	450	450	79	371
Dues and Subs	150	150	-	150
Total Airport	2,300	2,300	79	2,221
TOTAL GENERAL GOVERNMENT	330,526	328,474	285,953	42,521

**TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2006**

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
PUBLIC SAFETY				
Ambulance Services	46,000	46,000	43,174	2,826
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	-	-	(40,821)	(40,821)
TOTAL EXPENDITURES AND TRANSFERS	376,526	374,474	369,948	4,526
Excess (Deficiency) of Revenues over Expenditures and Other Uses	20,389	28,860	63,065	34,205
Fund Balance - Beginning of Year	549,334	549,334	549,334	-
Fund Balance - End of Year	<u>\$ 569,723</u>	<u>\$ 578,194</u>	<u>\$ 612,399</u>	<u>\$ 34,205</u>

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FIRE FUND
YEAR ENDED MARCH 31, 2006

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	\$ 195,543	\$ 195,543	\$ 203,266	\$ 7,723
Fee from Custer Township	104,037	104,037	110,187	6,150
Grant - State of Michigan	(1,500)	(1,500)	26,739	25,239
Interest	1,000	1,000	3,993	2,993
Miscellaneous	(1,000)	(1,000)	1,569	2,569
Total Revenues	301,080	301,080	345,754	44,674
EXPENDITURES				
Wages	59,600	59,600	58,871	729
FICA	4,560	4,560	4,504	56
Repairs and Maintenance	25,500	30,500	31,059	(559)
Insurance	27,146	27,146	24,974	2,172
Supplies	13,150	13,150	14,404	(1,254)
Utilities	12,186	12,186	12,356	(170)
Education Outside	10,000	10,000	11,204	(1,204)
Gas and Oil	5,300	5,300	5,917	(617)
Physicals	4,000	4,000	5,251	(1,251)
Community Service	3,000	3,000	2,227	773
Travel & Lodging	3,500	3,500	2,264	1,236
Snow Removal	1,500	1,500	1,700	(200)
Professional Fees	1,200	1,200	1,000	200
Dues and Subs	400	400	500	(100)
Printing	1,200	1,200	250	950
Capital Outlay	40,000	45,000	44,037	963
Debt Service	67,000	120,000	119,225	775
Total Expenditures	279,242	342,242	339,743	2,499
Excess (Deficiency) of Revenues Over Expenditures	21,838	(41,162)	6,011	47,173
Fund Balance - Beginning of Year	316,164	316,164	316,164	-
Fund Balance - End of Year	<u>\$ 338,002</u>	<u>\$ 275,002</u>	<u>\$ 322,175</u>	<u>\$ 47,173</u>

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD FUND
YEAR ENDED MARCH 31, 2006

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	88,300	84,500	88,437	3,937
State Revenue - Annual Maint Fee	-	7,000	7,330	330
Total Revenues	88,300	91,500	95,767	4,267
EXPENDITURES				
Road Construction	146,697	154,197	154,154	43
Total Expenditures	146,697	154,197	154,154	43
Excess (Deficiency) of Revenues Over Expenditures	(58,397)	(62,697)	(58,387)	4,310
OTHER FINANCING SOURCES				
Transfer from General Fund	-	-	6,450	6,450
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(58,397)	(62,697)	(51,937)	10,760
Fund Balance - Beginning of Year	142,932	142,932	142,932	-
Fund Balance - End of Year	84,535	80,235	90,995	10,760

**TOWNSHIP OF MANCELONA
COMBINED BALANCE SHEET
NON MAJOR FUNDS
MARCH 31, 2006**

	<u>CEMETERY</u>	<u>LIBRARY</u>	<u>LIQUOR</u>	<u>TOTAL</u>
ASSETS				
Cash	\$ 59,946	\$ -	\$ -	\$ 59,946
Certificate of Deposit	20,880	-	-	20,880
Total Assets	<u>80,826</u>	<u>-</u>	<u>-</u>	<u>80,826</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	-	-	-	-
Fund Equity				
Fund balance:				
Undesignated, Unreserved	38,654	-	-	38,654
Reserved	42,172	-	-	(42,172)
Total Fund balance	<u>80,826</u>	<u>-</u>	<u>-</u>	<u>80,826</u>
Total Liabilities and Fund Equity	<u>\$ 80,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,826</u>

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON MAJOR FUNDS
FOR THE YEAR ENDED MARCH 31, 2006

	<u>CEMETERY</u>	<u>LIBRARY</u>	<u>LIQUOR</u>	<u>TOTAL</u>
REVENUES:				
Grave Openings	\$ 11,035	\$ -	\$ -	\$ 11,035
Royalties	4,184	-	-	4,184
Lot Sales - Perpetual Care	4,850	-	-	4,850
Lot Sales	4,580	-	-	4,580
Yearly Maintenance Fee	500	-	-	500
Interest - Perpetual	830	-	-	830
State Aid	-	5,115	-	5,115
Penal Fines	-	16,572	-	16,572
Custer/Donations	-	11,443	-	11,443
Liquor License	-	-	1,674	1,674
Misc	15	1,314	-	1,329
Total Revenues	<u>25,994</u>	<u>34,444</u>	<u>1,674</u>	<u>62,112</u>
EXPENDITURES:				
Wages	23,082	23,329	2,388	48,799
Fica	1,766	1,792	183	3,741
Books	-	9,915	-	9,915
Capital Outlay	30,694	4,075	-	34,769
Cemetery Costs	8,374	-	-	8,374
Library Costs	-	16,639	-	16,639
Liquor Law Costs	-	-	757	757
Total Expenditures	<u>63,916</u>	<u>55,750</u>	<u>3,328</u>	<u>122,994</u>
Excess (Deficiency) of Revenues over Expenditures	(37,922)	(21,306)	(1,654)	(60,882)
TRANSFERS IN (OUT)	<u>12,038</u>	<u>21,306</u>	<u>1,027</u>	<u>34,371</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(25,884)	-	(627)	(26,511)
Fund Balance - Beginning of Year	<u>106,710</u>	<u>-</u>	<u>627</u>	<u>107,337</u>
Fund Balance - End of Year	<u>\$ 80,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,826</u>